

Message Text

CONFIDENTIAL

PAGE 01 PORT A 01357 182234Z

71

ACTION ARA-20

INFO OCT-01 ISO-00 DOTE-00 XMB-07 TRSE-00 EUR-25 PRS-01

AID-20 OPIC-12 COME-00 L-03 IGA-02 SP-03 EB-11

CIAE-00 INR-11 NSAE-00 RSC-01 DRC-01 /118 W

----- 040080

P 182220Z JUL 74

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC PRIORITY 8262

C O N F I D E N T I A L PORT AU PRINCE 1357

E.O. 11652: GDS

TAGS: ETRN, EAID

SUBJECT: HAITI'S MAJOR ROAD PROJECTS THROWN INTO DISARRAY BY
EXCESSIVELY HIGH BIDS RECEIVED

1. PRESIDENT DUVALIER, DURING CONVERSATION JULY 18, TOLD ME THAT UPON OPENING SEALED BIDS JULY 15, MINISTER PETIT FOUND THAT LOWEST BID FOR SOUTHERN ROAD WAS \$53 MILLION, OVER TWICE THE \$22.5 MILLION LOAN AMOUNT APPROVED BY IDB. THIS WORKED OUT TO ABOUT \$300,000 PER KM, A COST PRESIDENT CONSIDERED EXORBITANT EVEN ALLOWING FOR INFLATION SINCE SPECIFICATIONS PREPARED SOME 18 MONTHS AGO, PARTICULARLY SINCE TRACE OF PORT-AU-PRINCE/ LES CAYES ROAD ALREADY EXISTED. LOWEST BID FOR IBRD-FINANCED NORTHERN ROAD WAS \$15 MILLION, \$5 MILLION ABOVE LOAN AMOUNT. AVERAGE PER KILOMETER BID ON JACMEL ROAD TO BE BUILT BY FRENCH (ON TRACE ALREADY CUT BY CHURCH WORLD SERVICE USING FOOD FOR PEACE) WAS \$80,000, HE SAID, A REASONABLE COST CONSIDERING DIFFICULT ENGINEERING OVER MUCH OF THE ROUTE.

2. PRESIDENT SPECULATED THAT FIVE FIRMS SUBMITTING BIDS ON IDB PROJECT MIGHT HAVE COLLUDED TO REDUCE ORIGINAL NUMBER OF INTERESTED BIDDERS, SOME 14/15 AT OUTSET, OR EVEN, HE ADDED DARKLY, TO SABOTAGE ENTIRE PROJECT. DISCOUNTING LATTER HYPOTHESIS, I ASKED IF ORIGINAL SPECIFICATIONS FOR SOUTHERN ROAD MIGHT HAVE BEEN BASED ON DESIGN STANDARDS EXCESSIVE FOR HAITI'S NEEDS. HE THOUGHT NOT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT A 01357 182234Z

3. NEXT STEP, HE SAID, IS TO CONSULT WITH IDB AND IBRD,
AND PETIT HAD ASKED FOR SUITABLE EXPERTS TO COME TO PORT-
AU-PRINCE FOR URGENT CONSULTATIONS.

4. COMMENT: STORY WILL PROBABLY BREAK SOON AND SPARK
ANGUISHED LOCAL COMMENTARY AND SPECULATION AS TO WHAT COURSE
OF ACTION IS OPEN TO GOH. JEAN DOMINIQUE OF RADIO INTER HAD
TOLD ME OF REPORTS ON SOUTHERN ROAD BID THE EVENING BEFORE.

5. ACTION REQUESTED: IN VIEW OF CRUCIAL IMPORTANCE TO HAITI
OF THESE MAJOR AND LONG HERALDED INFRASTRUCTURE PROJECTS, AND
U.S. INFLUENCE WITHIN BOD IDB AND IBRD, I HOPE WE CAN
DEMONSTRATE OUR DESIRE TO HELP GOH RESOLVE THIS PROBLEM.
WOULD APPRECIATE DEPT'S COMMENTS.
ISHAM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, DIPLOMATIC DISCUSSIONS, HIGHWAYS, PROPOSALS (BID), PROGRAMS (PROJECTS), MEETINGS, CONSULTANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PORTA01357
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740193-1132
From: PORT AU PRINCE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740738/aaaabgdu.tel
Line Count: 76
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 16 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 SEP 2002 by boyleja>; APPROVED <24 MAR 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HAITI'S MAJOR ROAD PROJECTS THROWN INTO DISARRAY BY EXCESSIVELY HIGH BIDS RECEIVED
TAGS: ETRN, EAID, (DUVALIER)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005